



CONSULTATION DOCUMENT

CUSC Amendment Proposal CAP103 Flexibility of Working Group Internal Procedures

*The purpose of this document is to
consult on Amendment Proposal CAP103
with CUSC Parties and other interested
Industry members*

Amendment Ref	CAP103
Issue	1
Date of Issue	
Prepared by	National Grid

I DOCUMENT CONTROL**a National Grid Document Control**

Version	Date	Author	Change Reference
0.1		National Grid	Initial Draft for internal comment
1.0		National Grid	Formal version for release

b Document Location

National Grid website:

http://www.nationalgridinfo.co.uk/cusc/mn_consultation_index.html

c Distribution

Name	Organisation
CUSC Parties	Various
Panel Members	Various
Interested Parties	Various
Core Industry Document Owners	Various
National Grid Industry Information Website	-

II CONTENTS TABLE

I DOCUMENT CONTROL.....	2
a National Grid Document Control	2
b Document Location	2
c Distribution.....	2
1.0 SUMMARY	3
2.0 INTRODUCTION	3
3.0 THE AMENDMENT PROPOSAL	4
4.0 WORKING GROUP DISCUSSIONS	5
5.0 ALTERNATIVE AMENDMENT.....	6
6.0 IMPLEMENTATION AND TIMESCALES	6
7.0 INITIAL VIEW OF AMENDMENTS PANEL.....	6
8.0 INITIAL VIEW OF NATIONAL GRID.....	6
9.0 ASSESSMENT AGAINST THE APPLICABLE CUSC OBJECTIVES	6
10.0 VIEWS INVITED	7
ANNEX 1 - PROPOSED TEXT TO MODIFY CUSC.....	8
Part A - Text to give effect to the Proposed Amendment.....	8
Part B - Text to give effect to the Alternative Amendment	9
ANNEX 2 – AMENDMENT PROPOSAL FORM	10

1.0 SUMMARY

- 1.1 CAP 103 – Flexibility of Working Group Procedures, aims, in the view of the proposer, to clarify and provide greater efficiency and flexibility in relation to two aspects of Working Group procedures Firstly, CAP103 addresses the fact that currently only the Amendments Panel is authorised to vary Working Group membership. Secondly, CAP103 also proposes to reduce of the approval period for Working Group Reports, from 5 days to 3 days, if all Working Group members agree.
- 1.2 CAP103 was proposed by National Grid and submitted to the CUSC Amendments Panel for consideration at their meeting on 29th July 2005. The Amendments Panel referred CAP103 to the Governance Standing Group acting at Working Group.
- 1.3 The Working Group Report was submitted to the CUSC Amendments Panel for consideration at their meeting on 23rd September 2005. The Amendments Panel determined that the issue was appropriate to proceed to wider industry consultation by National Grid.
- 1.4 National Grid would like to highlight from the outset that all Working Group Members agreed to develop a Working Group Alternative Amendment, which all believed better facilitated the relevant applicable objectives, in a way which on reflection they believed the Original proposal did not. Hence, the Original proposal was not fully worked up, and no Legal text has been provided in relation to it. However, were any party believes that the approach outlined in the Original proposal better facilitated the relevant objectives, they can raise a Consultation Alternative.
- 1.4 This document initiates this wider consultation exercise and invites views on CUSC Amendment Proposal CAP103 and the Alternative Amendment. The consultation closing date is #####

2.0 INTRODUCTION

- 2.1 This is a consultation document issued by National Grid under the rules and procedures specified in the Connection and Use of System Code (CUSC) as designated by the Secretary of State.
- 2.2 Further to the submission of Amendment Proposal CAP103 and the subsequent evaluation by the Governance Standing Group acting as Working Group, this document seeks views from industry members relating to the Amendment Proposal and the Alternative Amendment.
- 2.3 This consultation document outlines the discussions held by the Working Group and the nature of the CUSC changes that are proposed. Representations received in response to this consultation document will be included in National Grid's Amendment Report that will be furnished to the Authority for their decision.
- 2.4 This consultation document has been prepared in accordance with the terms of the CUSC. An electronic copy can be found on the National Grid website, at <http://www.nationalgrid.com/uk/indinfo/cusc>, along with the Working Group Report for CAP103 and the Amendment Proposal form.

3.0 THE AMENDMENT PROPOSAL

- 3.1 The proposer identified two deficiencies within the current CUSC baseline regarding Working Group processes. Currently, all Working Groups must process all changes of membership through the CUSC Amendments Panel.. The proposer noted that this process potentially raised issues in circumstances where Working Group Members who had been nominated by the Amendments Panel, sent someone to a Working Group in their place, when they were unable to attend. There is ambiguity as to the role and status of such people, which had the potential to cause procedural concerns, given the recent introduction of the new Appeals mechanism.
- 3.2 However, the proposer also felt that failure to find a mechanism to allow such people to play a full part in Working Group discussions was also inefficient, given that only so many industry participants were ever at a Working Group meeting and there was a need to ensure that the industry received all volunteered support in the development of Amendment proposals.
- 3.3 The original Amendment Proposal provides Working Group members with the right to agree interim changes in membership until the next Amendments Panel, where the Panel has the opportunity to uphold or overturn the Working Group decision in relation to a change of membership. This acts as a safeguard, which enables the Amendments Panel to continue sanction the Working Group decision.
- 3.4 However, the Working Group did not develop the first element of the Amendment Proposal further, in this form. All members after lengthy discussion identified risks with the original proposal that could be problematic due to the new appeal mechanism. As the status of Working Group Amendment Alternatives WGAA and the members input into the discussions could affect the validity of the Group, if the Panel overturn the Working Group decision. In addition the Group believed it would increase the administrative burden upon National Grid and would not better facilitate the Applicable Objective (a)(The efficient discharge by National Grid of the obligations imposed on it by the Act and the Transmission Licence).
- 3.5 The second deficiency identified relates to the 5 day period for the circulation and approval of Working Group Reports. The 5 day period can be problematic in achieving the CUSC Panel Paper Submission date and could potentially have a knock on effect on the modification timeline.
- 3.6 For example, when a Working Group has been given a month to undertake an assessment, the actual time for assessment under the current arrangements is less than a month. All Working Group Reports must be submitted to the Panel Secretary 5 or 3 working days (only Panel Members can use the reduced timescale) prior to the Amendments Panel meeting in addition, the draft Working Group Report must be circulated for 5 days for approval. Therefore reducing the assessment time to a period of less than 2 weeks.
- 3.7 It is proposed that the 5-day period could be reduced to 3 days, if all the Working Group members agree. Where a Working Group member is uncomfortable with the reduction, the 5-day period would remain as the default position.

4.0 WORKING GROUP DISCUSSIONS

- 4.1 The Working Group agreed with the proposer that there is a defect within the CUSC baseline. All members agreed that the Working Group membership rules were too prescriptive and inflexible, and that the introduction of the Appeals mechanism potentially created further issues in this area.
- 4.2 However, the Working Group believed the proposer's solution would not improve efficiency. Working Group members believed the original proposal posed two risks.
- 4.3 Firstly, if Working Group members could freely appoint new members this could be used to favour one side of an argument creating an in-balance.
- 4.4 Secondly, if the Panel overturned an appointment at the next Amendments Panel Meeting the validity of the groups' discussions could be questioned as the redundant member may have influenced the discussions in a particular direction. In addition, if a redundant member proposed a WGAA, the legitimacy of that the WGAA would be in doubt, as it was not proposed by a Working Group member.
- 4.5 Collectively the Working Group agreed that the Working Group Chairman, who is appointed by the Amendments Panel to act impartially and independently under CUSC provision 8.17.4 should be given the expressed delegated authority from the Amendments Panel to vary Working Group membership. The group believed the current provision requiring the Amendments Panel to always authorise variations to membership was unnecessary. The Working Group further agreed that there were no examples of the Amendments Panel ever refusing a variation in Working Group membership, and hence did not believe that this needed to remain as an Amendments Panel function.
- 4.6 The Working Group collectively developed the WGAA in the belief it would better facilitate CUSC objective (a) without increase the administrative burden on National Grid. Consequently, the Working Group decided not to fully develop element one of the original proposal due to the risks and difficulties identified above. However, were any party to believe that the original approach represents a more effective solution in this area, it would be possible for them to propose this as a Working Group Alternative Amendment should they so wish.
- 4.7 However, the Working Group agreed with the proposer that the time period for the circulation of Working Group Reports (5 days) could be problematic in achieving the CUSC Panel Paper Submission Date.
- 4.8 All Working Group Members agreed with the Amendment Proposal to allow the relaxation of the 5 day circulation rule to 3 days, subject to group consensus whilst maintaining the default position of 5 days if a Working Group member did not agree.

5.0 ALTERNATIVE AMENDMENT

- 5.1 The Working Group Amendment Alternative provides a different solution to the first element of the original proposal, variation of Working Group membership, and is supported by all members of the group.
- 5.2 The Working Group unanimously agreed that the Chairman should be provided with expressed delegated authority to vary Working Group membership without requiring the Amendments Panel to sanction the decision.
- 5.3 The Amendments Panel under CUSC 8.17.4 appoints the Working Group Chairman, and the Chairman has a duty to act independently and should have the authority to appoint future members to the group without affecting the Panels discretion to appoint members when the Working Group is established under CUSC 8.17.3.
- 5.4 The second element of the original proposal remains unchanged. It is proposed that the 5 day period could be reduced to 3 days, if all the Working Group members agree. Where a Working Group member is uncomfortable with the reduction, the 5 day period would remain as the default position.

6.0 IMPLEMENTATION AND TIMESCALES

- 6.1 The Working Group proposes CAP103 should be implemented 10 days after an Authority decision. In accordance with 8.19.3(b) views are invited on this proposed implementation date.

7.0 INITIAL VIEW OF AMENDMENTS PANEL

- 7.1 The Amendments Panel agreed the Amendment Proposal and Working Group Amendment Proposal should proceed to wider industry consultation for a period of 2 weeks.

8.0 INITIAL VIEW OF NATIONAL GRID

- 8.1 National Grid believes the current CUSC provisions regarding Working Groups are potentially too prescriptive. National Grid supports the WGAA as it provides a pragmatic approach when agreeing Working Group membership and the ability to reduce timescales, which will improve efficiency.
- 8.2 National Grid believes CAP103 WGAA will better facilitate CUSC objective (a)(The efficient discharge by National Grid of the obligations imposed on it by the Act and the Transmission Licence), by improving the flexibility and efficiency of Working Group processes.

9.0 ASSESSMENT AGAINST THE APPLICABLE CUSC OBJECTIVES

- 9.1 The Working Group including the proposer believed that CAP103 WGAA would better facilitate CUSC objective (a)(The efficient discharge by National Grid of the obligations imposed on it by the Act and the Transmission Licence), by ensuring the CUSC provisions are timely, practical and effective for Working Groups.

10.0 VIEWS INVITED

- 10.1 National Grid is seeking the views of interested parties in relation to the issues raised by Amendment Proposal CAP103 and issues arising from the proposed timescale for implementation of CAP103.
- 10.2 Please send your responses to this consultation to National Grid by no later than close of business on #####
- 10.3 Please address all comments to the following e-mail address:

Emma.j.carr@ngt.com

Or alternatively, comments may be addressed to:

Emma Carr
Commercial
National Grid plc
NGT House
Warwick Technology Park
Gallows Hill
Warwick
CV34 6DA

Annex 1 - Proposed Text to Modify CUSC

Part A - Text to give effect to the Proposed Amendment

Part B - Text to give effect to the Alternative Amendment

Annex 2 – Amendment Proposal Form

CUSC Amendment Proposal Form	CAP:103
Title of Amendment Proposal:	
Flexibility of Working Group Internal Procedures	
Description of the Proposed Amendment (mandatory by proposer):	
<p>This proposal would provide increased flexibility to the Working Group process by providing the Working Group with the ability to unilaterally alter membership for the period up to the next Amendments Panel, following which the Amendments Panel could either uphold or overturn the Working Group changes of membership.</p> <p>Furthermore, it proposes that Working Group members are able to agree a three day timetable for the approval of Working Group Reports by the Working Group if all Working Group Members agree to this. However, in the event of no agreement, the standard five day timetable for approval would remain.</p>	
Description of Issue or Defect that Proposed Amendment seeks to Address (mandatory by proposer):	
<p>Currently all Working Groups must process all changes of membership through the CUSC Amendments Panel and also abide by strict timetables for the circulation of WG documentation for agreement prior to Panel submission.</p> <p>These rules are potentially too prescriptive as Working Groups often have requests to vary their membership between Panel meetings. It is proposed that by confirming that Working Groups have the right to agree interim changes of membership, Working Groups will work more efficiently. Equally, ensuring that the Amendments Panel has the opportunity to uphold or overturn the Working Group decisions in relation to changes of membership acts as a safeguard that enables the Amendments Panel to continue to ultimately act as a check on Working Group decisions in this area.</p> <p>Secondly, given that Working Group Reports need to be circulated 5 days before a Panel meeting, Groups sometimes find the rule in 8.17 (c) that states Working Group Reports must be circulated in draft to Members 5 days before being signed off problematic in achieving the CUSC Panel Paper Submission date. Therefore, it is proposed that where the Working Group Members all agree, the 5 day circulation rule can be varied to a 3 day rule. However, where Working Group Members are not comfortable to agree a relaxation of the five day rule, 5 days would remain the default position.</p>	
Impact on the CUSC (this should be given where possible):	
Section 8.17 - Working Groups	
Impact on Core Industry Documentation (this should be given where possible):	
None	
Impact on Computer Systems and Processes used by CUSC Parties (this should be given where possible):	
None	

Details of any Related Modifications to Other Industry Codes (where known):	
None	
Justification for Proposed Amendment with Reference to Applicable CUSC Objectives** (mandatory by proposer):	
We believe that this proposal will better facilitate Licence Objectives (a). It will allow NGC to facilitate the efficient discharge by the licensee of the obligations imposed upon it under the Act and by this Licence, by ensuring that the provisions of the CUSC are practical and effective and allow Working Groups to function as well as possible, whilst also retaining the appropriate safe-guards in relation to the Panel ultimately confirming or rejecting Working Group decisions to change Membership and ensuring that where Working Group Members are not comfortable with a variation from the 5 day rule, the 5 day rule will remain.	
Details of Proposer: Organisation's Name:	National Grid Company
Capacity in which the Amendment is being proposed: (i.e. CUSC Party, BSC Party or "energywatch")	CUSC Party
Details of Proposer's Representative: Name: Organisation: Telephone Number: Email Address:	Ben Graff National Grid Company 01926 656312 Ben.Graff@uk.ngrid.com
Details of Representative's Alternate: Name: Organisation: Telephone Number: Email Address:	Emma Carr National Grid Company 01926 655843 Emma.Carr@uk.ngrid.com
Attachments (Yes/No):	
No	

Notes:

1. Those wishing to propose an Amendment to the CUSC should do so by filling in this "Amendment Proposal Form" that is based on the provisions contained in Section 8.15 of the CUSC. The form seeks to ascertain details about the Amendment Proposal so that the Amendments Panel can determine more clearly whether the proposal should be considered by a Working Group or go straight to wider National Grid Consultation.
2. The Panel Secretary will check that the form has been completed, in accordance with the requirements of the CUSC, prior to submitting it to the Panel. If the Panel Secretary accepts the Amendment Proposal form as complete, then he will write back to the Proposer informing him of the reference number for the Amendment Proposal and the date on which the Proposal will be considered by the Panel. If, in the opinion of the Panel Secretary, the form fails to provide the information required in the CUSC, then he may reject the Proposal. The Panel Secretary will inform the Proposer of the rejection and report the matter to the Panel at their next meeting. The Panel can reverse the Panel Secretary's decision and if this happens the Panel Secretary will inform the Proposer.

The completed form should be returned to:

Lindsey Paradine

Panel Secretary
Commercial Frameworks
National Grid Company plc
National Grid Transco House
Warwick Technology Park
Gallows Hill
Warwick, CV34 6DA
Or via e-mail to: CUSC.Team@uk.ngrid.com

(Participants submitting this form by email will need to send a statement to the effect that the proposer acknowledges that on acceptance of the proposal for consideration by the Amendments Panel, a proposer which is not a CUSC Party shall grant a licence in accordance with Paragraph 8.15.7 of the CUSC. A Proposer that is a CUSC Party shall be deemed to have granted this Licence).

3. Applicable CUSC Objectives** - These are defined within the National Grid Company Transmission Licence under Section C7F, paragraph 15. Reference should be made to this section when considering a proposed amendment.